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31 October 1986

## MEMORANDUM FOR THE RECORD

FROM: 

SUBJECT: Visit to Cullinet on 30 October 1986

SUMMARY

On 30 October 1986, several key members of the CLAS and BARS projects met with a variety of senior Cullinet officials at Cullinet headquarters in Boston to discuss what Cullinet's plans and estimates were regarding future products that could be used for CLAS.

Cullinet officials demonstrated the capabilities of the current versions of their purchasing and inventory packages and also described their ongoing efforts to develop an integrated system for handling federal financial information. In response to questions about their commitment to applications packages as compared to data base management systems, they pointed out that they were establishing an Extended Support division to assist users in customizing applications. They also said they were firmly committed to helping the user solve his/her specific problems.

John Cullinane himself addressed the group and indicated that the company was expanding and devoting a larger share of its resources to applications. In addition, he asserted that IDMS/R was a proven and highly successful product which he believed had a bright future. He noted that the new president of Cullinet, David Chapman, had been a successful IBM executive and that the company was having no difficulty attracting top-notch people.

The Cullinet folks urged the Agency to consider becoming a beta test site for the integrated financial system under development. They also arranged to have a former HHS official, Sam George, who has been serving as a consultant to Cullinet, provide a ringing endorsement of the design of the new system patterned after one George created while at NIH.

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1. On 30 October 1986, a group of Agency people from Logistics, Finance, Information Technology, and the Audit Staff visited Cullinet headquarters in Boston to determine what future Cullinet capabilities were being developed that could be used for the joint OL/OF/OIT project CLAS. A preliminary evaluation of MSA packages was completed in September, following a six-month test period and planning for the next phase of the project is under way. Agency participants included [redacted]

[redacted] of Logistics; [redacted] of Finance; [redacted] of Information Technology; and [redacted] of Audit. The same group attended a similar one-day session at MSA headquarters in Atlanta on 27 October. (See MFR dated 28 October 1987).

2. [redacted] said that the group was interested in the strategic direction of Cullinet and was concerned that the recent acquisition of Esvel and the concomitant emphasis on supporting DEC/VAX users might detract from Cullinet's ability to strengthen its application support. Bruce McLeod said he would leave that topic for the President David Chapman or the Chairman of the Board John Cullinane to address but that he had gathered together both the technical experts and the senior managers who could address the questions that had been submitted in advance. (See Attachment). He also promised that he would provide written responses to all the questions that were not covered during the day's presentation and discussion.

3. Tom McDonough then gave an overview of Cullinet's complete financial information system strategy. It incorporates a three-pronged approach: a) business-driven solutions, b) advanced technology, and c) a proven plan of action. The principles and practices that flow from this set of goals were framed in terms of private enterprise rather than governmental activity, but many of the objectives of the two separate spheres (e.g. timely, accurate financial information, tight management of the cost, quality, and delivery of purchases) are identical.

4. Before introducing the two technical representatives, Joe Girard and Julie Donahue, who were to provide most of the detailed answers to the questions we submitted, McLeod sketched out the relationship of the packages that comprise the Cullinet integrated financial system. He noted that the Funds Accounting package was the coordinating element and that General Ledger, Accounts Payable, and Purchasing were the other essential parts of the system as is IDMS/R. The other functions that CLAS requires are contained in Inventory Control and Bill of Materials (for cataloging), both of which could be used independently. He said that the current schedule called for the Funds Accounting package to be available in late spring (i.e. June) of next year.

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5. Mike Regan, who heads Cullinet's federal support office in Washington, then told the group about some of his customers who include the Comptroller of the Currency, Bureau of Engraving, Bureau of Prisons, and Ft. Meade. Of this group, however, only the Bureau of Prisons has the complete set of currently available financial packages. He also indicated that he would be working directly with a new division of the company called Extended Support, which has the task of assisting those customers that require modifications of the standard product. Much of this work would be expected to be performed in the Boston area so that full advantage could be taken of the skills and thinking concentrated in the development center, but Cullinet was prepared to alter this strategy if the federal market appeared to call for a different approach.

6. Pat Carrigan then spent a few minutes describing Cullinet's recommended approach for a customer to phase in the funds control system. First the user should bring in the General Ledger -- just as the Agency has done. This should be followed in sequence by Accounts Payable, Purchasing, and finally Funds Accounting. At this time, the Agency has version 1.1 of General Ledger. Version 1.2 of Accounts Payable and Purchasing are available now and he recommended that the Agency procure these as soon as possible so it would be ready to become a beta test site for the integrated financial system, which will become available in July 1987 with the completion of the Funds Accounting package (now under development) and version 1.3 of General Ledger, Accounts Payable, and Purchasing. The final production version of the system is planned for sometime in the December 1987 to June 1988 timeframe depending on the success of the beta testing.

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7. In response to [redacted] questions about beta testing, Regan and Mike Lund, a senior technical representative who works in the Washington office, said that Cullinet would have two or three people available in the Washington area to support this effort along with a call on the time of about a third of the 30-person Extended Support staff in Boston. Cullinet plans to have two or three beta sites for the federal financial system and would expect to pool the experiences of all the participants in improving the product. The Cullinet people said that the user contingent has to make a commitment to ensure that key people are available full time when critical junctures are reached. The Bureau of Prisons had a four to six person team for its beta test. The Controller of the Currency had served as a beta site for the General Ledger.

8. Joe Girard then presented an overview of Purchasing and Order Entry before giving a demonstration designed to answer many of the questions contained in the attachment. He sketched out the business record concept that provides a common basis for all four packages, Order Entry, Accounts Receivable, Purchasing, and Accounts Payable. Using this concept, the customer file is shared by Order Entry and Accounts Receivable while the vendor file is shared by Purchasing and Accounts Payable. At the highest or business level, there are address, alias, and contact files, each of which can have unlimited entries. Throughout the Cullinet system, there is no duplication of records.

9. Girard noted that the Cullinet system provides print capabilities for virtually all types of forms but because there is no one correct format for each type of form, it is up to the user to modify the output format as necessary.

10. He said that there was a transaction audit in addition to the journaling provided by IDMS/R and that the transaction audit included a before and after image of each record that was modified. (McLeod noted that Cullinane had started the business with an audit package and Cullinet's EDP Auditor was still one of the best available.)

11. Midway through the demonstration of package capabilities, Girard gave an explanation of two other general features of the Cullinet software. The first was the data organization based on a header record that contains most of the general identifying information followed by an indefinite number of line-item records containing detailed information. Record expansion can be accomplished by using extended records for both headers and line-items. The second feature is the free text field (like remarks) that can be created for a specific document and incorporated in the record. Almost every screen in the system indicates whether the text can be either printed or displayed. Even with this capability, however, Girard acknowledged that separate word processing may be required to prepare some of the lengthier government contracts.

12. At lunch, John Cullinane joined the discussion to address the questions concerning the strategic direction of Cullinet. He said that the company was postured to resist takeover bids and the acquisition of Esvel was a logical extension of Cullinet support because there was a great deal of VAX equipment associated with IBM mainframes. In response to a question, he said he was not overly concerned about the possible inroads DB2 would make and noted that earlier IBM forays into this arena had failed. He also made reference to the success Cullinet had had in supporting such diverse customers as a Belgian bank and the Strategic Air Command. He added that SAC, which was also visiting that day, had been a customer since 1978.

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13. Near the end of the session, [ ] asked what additional skills were required by package users if they expected to be successful. Girard, Donahue, and Lund combined to answer the question and indicated that the user would have to establish a data base administrator and train a number of people in how to run batch jobs, perform the IDMS/DC print function, and to produce CULPRIT reports. Batch skills are needed both for the conversion process and for report generation. They said it would also be useful if a number of users were familiar with the OLQ menu mode.

14. At the end of the day, the Cullinet people brought in Sam George to give a testimonial to the quality of the federal financial system under development. George was the principal architect of the HHS integrated financial system and now is a consultant to Cullinet. He expressed confidence in the design of the Cullinet system and in the ability of its implementors to produce an effective version on schedule.